STATE OF MARYLAND

Request for Proposals

Behavioral Health and EAP Benefit Administration Services

Solicitation No. F10R6200070

MARYLAND

DEPARTMENT OF
BUDGET & MANAGEMENT

Employee Benefits Division

Issue Date: September 20, 2005

NOTICE

Prospective Offerors who have received this document from the Department of Budget and Management's web site or eMarylandMarketplace.com, or who have received this document from a source other than the Procurement Officer, and who wish to assure receipt of any changes or additional materials related to this RFP, should immediately contact the Procurement Officer and provide their name and mailing address so that amendments to the RFP or other communications can be sent to them.

STATE OF MARYLAND
NOTICE TO OFFERORS/CONTRACTORS

In order to help us improve the quality of State proposal solicitations, and to make our procurement process more responsive and business friendly, we ask that you take a few minutes and provide comments and suggestions regarding the enclosed solicitation. Please return your comments with your proposals. If you have chosen not to bid on this Contract, please fax this completed form to: 410-974-3274 to the attention of Edward Bannat.

Title: **Behavioral Health and EAP Services**
Solicitation No: **F10R6200070**

1. If you have responded with a "no bid", please indicate the reason(s) below:

( ) Other commitments preclude our participation at this time.
( ) The subject of the solicitation is not something we ordinarily provide.
( ) We are inexperienced in the work/commodities required.
( ) Specifications are unclear, too restrictive, etc. (Explain in REMARKS section.)
( ) The scope of work is beyond our present capacity.
( ) Doing business with Maryland Government is simply too complicated. (Explain in REMARKS section.)
( ) We cannot be competitive. (Explain in REMARKS section.)
( ) Time allotted for completion of the bid/proposals is insufficient.
( ) Start-up time is insufficient.
( ) Bonding/Insurance requirements are restrictive. (Explain in REMARKS section.)
( ) Bid/Proposals requirements (other than specifications) are unreasonable or too risky. (Explain in REMARKS section.)
( ) MBE requirements. (Explain in REMARKS section.)
( ) Prior State of Maryland Contract experience was unprofitable or otherwise unsatisfactory. (Explain in REMARKS section.)
( ) Payment schedule too slow.
( ) Other:____

2. If you have submitted a bid or proposal, but wish to offer suggestions or express concerns, please use the Remarks section below. (Use reverse or attach additional pages as needed.)

REMARKS: ____

____

Offeror Name: ____ Date _____________________

Contact Person: ____ Phone (_____) ______ - ___________

Address:____

KEY INFORMATION SUMMARY SHEET

STATE OF MARYLAND

Request For Proposals

BEHAVIORAL HEALTH AND EAP BENEFIT ADMINISTRATION SERVICES

SOLICITATION NUMBER F10R6200070

RFP Issue Date:	**September 20, 2005**
RFP Issuing Office:	**Department of Budget and Management** **Employee Benefits Division (EBD)**
Procurement Officer:	**Mr. Edward Bannat** **Office Phone: (410) 260-7662** **Fax: (410) 974-3274** **e-mail: ebannat@dbm.state.md.us**
Proposals are to be sent to:	**Department of Budget and Management** **45 Calvert Street, Room 141** **Annapolis, MD 21401** **Attention: Ed Bannat**
Pre-Proposal Conference:	**Thursday, October 6, 2005, 9:00AM (Local Time)** **Judiciary Training Center** **2009D Commerce Park Drive** **Annapolis, MD 21401** **For directions: www.courts.state.md.us/ directions/jtcdirections.html**
Closing Date and Time:	**Tuesday, November 1, 2005, 2:00PM (Local Time)**

NOTE

Prospective Offerors who have received this document from the Department of Budget and Management's web site or eMarylandMarketplace.com, or who have received this document from a source other than the Procurement Officer, and who wish to assure receipt of any changes or additional materials related to this RFP, should immediately contact the Procurement Officer and provide their name and mailing address so that amendments to the RFP or other communications can be sent to them.

Table of Contents

SECTION 1 - GENERAL INFORMATION

1.1 Summary Statement

The Department of Budget and Management is issuing this Request for Proposals (RFP) for Behavioral Health Benefit Administration Services for Maryland State Employees. The State of Maryland (the State) is seeking a vendor to provide a single plan for Behavioral Health (BH) and Employee Assistance Program (EAP) benefits. Behavioral Health benefits are requested for State members and their dependents that participate in a Preferred Provider Organization (PPO) or a Point of Service (POS) medical plan. EAP benefits are requested for active State employees, irrespective of the employee's participation in a State medical plan.

Please note that Aon Consulting, as the State's benefits consultant, is assisting the State in this procurement.

1.2 Abbreviations and Definitions

For purposes of this RFP, the following abbreviations or terms have the meanings indicated below:

a. **Behavioral Health or BH** – means behavioral health benefit services including mental health benefits and substance abuse treatment benefits.

b. **COBRA** – means Consolidated Omnibus Budget Reconciliation Act.

c. **COMAR -** means Code of Maryland Regulations.

d. **Contract-**means the Contract between the State and the Contractor for the provision of services solicited by this RFP as Attachment A.

e. **Contractor** – means the successful Offeror awarded a Contract pursuant to this procurement.

f. **Contractual Employee -** means a non-permanent employee of the State of Maryland who is not eligible for State subsidy of benefits, but is eligible to enroll in the State of Maryland Employee and Retiree Health and Welfare Benefits Program, paying full premium costs.

g. **DEA** – means Drug Enforcement Agency.

h. **DBM -** means the Department of Budget and Management.

i. **Dependent** – means a spouse, natural children, stepchild, legally adopted child, or legal ward of an eligible member who is also a tax dependent of the employee for health benefit purposes, as defined in and made eligible for benefits by COMAR 17.04.13.03.A(11). Eligible dependents include children through the end of the calendar year in which they attain age 19, or 23 if a full-time student, and certain disabled dependents in accordance with COMAR 17.04.13.03A(11).

j. **Direct Pay Enrollee -** means an individual who is billed directly by the Department of Budget and Management for selected benefits, including COBRA Participants, Leave of Absence Participants, Contractual Employees and Part-Time Employees.

k. **EAP-** means Employee Assistance Program.

l. **EBD -** means Employee Benefits Division.

m. **EDI-** means Electronic Data Interface.

n. **FMLA** – means Family Medical Leave Act.

o. **FTE** – means Full-Time Equivalent.

p. **HIPAA-** means Health Insurance Portability Accountability Act of 1996 and the regulations promulgated pursuant thereto, specifically the administration simplification provisions relating to the privacy and security of protected health information, the electronic exchange of health information, standard data transaction codes and code sets, and national unique identifiers.

q. **IBNR** – means Incurred But Not Reported

r. **Immature Basis** – means component fees have not yet reached the levels they will reach once the Plan is operating on a mature basis.

s. **Leave of Absence -** means the period of time a permanent employee has elected non-paid leave of absence from State of Maryland employment. During this time, the employee is not eligible for State subsidy of benefits (unless the leave is authorized FMLA leave), but is eligible to continue participation in certain benefits provided by the State of Maryland while on a leave of absence.

t. **Local Time -** means Eastern Time as observed in the State of Maryland.

u. **Mature Basis** – means component fees are representative of the Plan once the Plan has been operational for a year or more.

v. **MBE** - means a Minority Business Enterprise that is certified as such by the Maryland Department of Transportation.

w. **Member** – means an employee or retiree enrolled in the plan.

x. **Offeror**– means a vendor who responds to the RFP by submitting a proposal to provide the requested services.

y. **Participant -** means all eligible individuals (including Members and Dependents) who are enrolled in or receiving services through the plan.

z. **Part-Time Employee -** means a permanent employee who works less than fifty percent of the standard workweek and is not eligible for state subsidy of benefits, but is eligible to enroll in the State of Maryland Employee and Retiree Health and Welfare Benefits Program.

aa. **Plan Year** – means the 12-month period beginning July 1 and ending June 30 of the next calendar year.

bb. **RFP -** means this Request for Proposals for Behavioral Health and EAP Benefits Administration Services.

cc. **Satellite Account Employee -** means an employee of a political subdivision, agency, commission, or organization that is permitted by Maryland law to participate in the State of Maryland Employee and Retiree Health and Welfare Benefits Program.

dd. **State** – means the State of Maryland.

ee. **Subcontractor -** means an organization or entity that the Offeror plans to utilize for the purposes of services covered under this Contract.

ff. **TTY/TDD** - means a telephone device used by hearing impaired individuals whereby they communicate via telephone connected to a keyboard and screen.

1.3 Scope

The State is soliciting proposals for one vendor to provide a single plan for Behavioral Health (BH) and Employee Assistance Program (EAP) benefits to all eligible participants as described in the RFP. The State's Contract with the current behavioral vendor expires on June 30, 2006. The vendor who is awarded the Contract pursuant to this RFP will be required to provide benefits coverage with an effective date of coverage beginning July 1, 2006, and begin the necessary implementation services in early 2006.

1.4 Contract Type

The Contract that results from this RFP shall be a fixed unit price Contract for administration service provided by the Contractor plus reimbursement of claims cost. (See COMAR 21.06.03.)

1.5 Contract Duration

The period of the Contract resulting from this RFP shall be for a period of about five (5) years beginning upon award of the Contract (approximately February 2006). The term of the Contract shall include five (5) plan years beginning July 1, 2006. In addition, the Contractor will be required to provide run-out administration services of claims incurred prior to the last day of the Contract term for 18 months following the end of the Contract term.

1.6 Procurement Officer

The sole point of contact at the State for purposes of this RFP, prior to the award of any Contract, is the Procurement Officer at the address listed below:

Edward Bannat, Procurement Officer
Department of Budget and Management
45 Calvert Street/ First Floor, Room 141
Annapolis, Maryland 21401
Telephone #: 410 - 260 - 7662
Fax #: 410 - 974 - 3274
E-mail: ebannat@dbm.state.md.us

1.7 Pre-Proposal Conference

A Pre-Proposal Conference will be held on Thursday, October 6, 2005, beginning at 9:00AM at the Judiciary Training Center, 2009D Commerce Park Drive, Annapolis MD 21401. Attendance at the Pre-Proposal Conference is not mandatory, but all interested Offerors are encouraged to attend in order to facilitate better preparation of their proposals. In addition, attendance may facilitate the Offeror's understanding and ability to meet the State's Minority Business Enterprise (MBE) goals.

The Conference will be transcribed. A copy of the transcript of the Pre-Proposal Conference will be made available to potential Offerors at a nominal charge directly from the transcription company. The identity of the company and details of how to obtain a transcript copy will be provided at the conference. In addition, as promptly as is feasible subsequent to the Conference, a summary of the Pre-Proposal Conference and all questions and answers known at that time will be distributed, free of charge, to all prospective Offerors known to have received a copy of this RFP.

If there is a need for sign language interpretation and/or other special accommodations due to a disability, it is requested that at least five days advance notice be provided. DBM will make reasonable efforts to provide such special accommodation.

1.8 Use of, and Fee for, eMaryland Marketplace

eMaryland Marketplace is an electronic commerce system administered by the Maryland Department of General Services. In addition to using the DBM web site (http://www.dbm.maryland.gov) and other means for transmitting the RFP and associated materials, the solicitation and minutes of the pre-bid/proposal conference, Offeror questions and DBM responses, addenda, and other solicitation related information will be provided via eMaryland Marketplace.

This means that all such information is immediately available to organizations that subscribe to eMaryland Marketplace. Because of the instant access afforded by eMaryland Marketplace, it is recommended that all Offerors interested in doing business with Maryland State agencies subscribe to eMaryland Marketplace.

COMAR 21.02.03.06 requires that the successful bidder/Offeror under this solicitation pay a fee to support the operation of eMaryland Marketplace. A copy of COMAR 21.02.03.06 can be found on the eMM website at www.eMarylandMarketplace.com. The successful bidder/offeror must register with eMaryland Marketplace prior to Contract award.

Whereas COMAR 21.02.06.03 includes a fee schedule which bidders/Offerors would normally use to determine what level of fee to build into their bid/offer prices, because of the indefinite, non-guaranteed level of usage under the Contract that results from this solicitation, bidders/Offerors are hereby advised to include a Level 7 fee as the eMaryland Marketplace fee.

The fee amount must be included within the rate or price of the proposal/bid and may not be quoted as a separate add-on price.

In order to receive a Contract award, a vendor must be registered on eMaryland Marketplace. Contractors shall pay the fee as provided by COMAR 21.02.03.06 and in accordance with guidelines issued by the Maryland Department of General Services. These guidelines can be found on the eMaryland Marketplace website at www.eMarylandMarketplace.com.

1.9 Questions

Written questions from prospective Offerors will be accepted by the Procurement Officer prior to the pre-proposal conference. If possible and appropriate, such questions will be answered at the pre-proposal conference. (No substantive question will be answered prior to the pre-proposal conference.) Questions may be submitted by mail, facsimile, or preferably, by e-mail to the Procurement Officer. Questions, both oral and written, will also be accepted from prospective Offerors attending the Pre-Proposal Conference. If possible and appropriate, these questions will be answered at the Pre-Proposal Conference.

Questions will also be accepted subsequent to the Pre-Proposal Conference. All post-conference questions should be submitted in a timely manner to the Procurement Officer only. The Procurement Officer shall, based on the availability of time to research and communicate an answer, decide whether an answer can be given before the proposal due date. Answers to all substantive questions that have not previously been answered, and are not clearly specific only to the requestor, will be distributed to all vendors who are known to have received a copy of the RFP and posted on the DBM website and eMarylandMarketplace.

1.10 Proposals Due (Closing) Date

An unbound original and seven **(7)** bound copies of each proposal (technical and financial) must be received by the Procurement Officer, at the address listed in Section 1.6, no later than **2:00 PM** (local time) on **Tuesday, November 1, 2005** in order to be considered. Three (3) electronic versions on CD of the Technical Proposal (in MS Excel format and WORD, as appropriate) must be enclosed with the original technical proposal. Three (3) electronic versions on CD of the Financial Proposal in MS Excel format must be enclosed with the original financial proposal. Ensure that the diskettes are labeled with the RFP title, RFP number, and Offeror name and packaged with the original copy of the appropriate proposal (technical or financial).

Requests for extension of this date or time will not be granted. Offerors mailing proposals should allow sufficient mail delivery time to ensure timely receipt by the Procurement Officer. Except as provided in COMAR 21.05.03.02F, proposals received by the Procurement Officer after the due date, **November 1, 2005, 2:00PM (local time)** will not be considered. Proposals may not be submitted by e-mail or facsimile.

1.11 Duration of Offer

Proposals submitted in response to this RFP are irrevocable for 120 days following the closing date of proposals or of Best and Final Offers (BAFOs), if BAFOs are requested. This period may be extended at the Procurement Officer's request only with the Offeror's written agreement.

1.12 Revisions to the RFP

If it becomes necessary to revise this RFP before the due date for proposals, amendments will be posted on the DBM website and eMaryland Marketplace, and provided to all prospective Offerors who were sent this RFP or otherwise are known by the Procurement Officer to have obtained this RFP. Amendments made after the due date for proposals will be sent only to those Offerors who submitted a timely proposal.

Acknowledgment of the receipt of all amendments to this RFP issued before the proposal due date must accompany the Offeror’s proposal in the Transmittal Letter accompanying the Technical Proposal submittal. Acknowledgement of the receipt of amendments to the RFP issued after the proposal due date shall be in the manner specified in the amendment notice. Failure to acknowledge receipt of amendments does not relieve the Offeror from complying with all terms of any such amendment.

1.13 Cancellations; Discussions

The State reserves the right to cancel this RFP, accept or reject any and all proposals, in whole or in part, received in response to this RFP, to waive or permit cure of minor irregularities, and to conduct discussions with all qualified or potentially qualified Offerors in any manner necessary to serve the best interests of the State of Maryland. The State also reserves the right, in its sole discretion, to award a Contract based upon the written proposals received without prior discussions or negotiations.

1.14 Oral Presentation

Offerors may be required to make oral presentations to State representatives. Significant representations made by an Offeror during the oral presentation must be reduced to writing. All such representations will become part of the Offeror’s proposal and are binding if the Contract is awarded. The Procurement Officer will notify Offerors of the time and place of oral presentations. Typically, oral presentations occur approximately two to four weeks after the proposal due date.

1.15 Incurred Expenses

The State will not be responsible for any costs incurred by an Offeror in preparing and submitting a proposal, in making an oral presentation, in providing a demonstration, or in performing any other activities relative to this solicitation.

1.16 Economy of Preparation

Proposals should be prepared simply and economically, providing a straightforward, concise description of the Offeror's proposal to meet the requirements of this RFP.

1.17 Protests/Disputes

Any protest or dispute related respectively to this solicitation or the resulting Contract shall be subject to the provisions of COMAR 21.10 (Administrative and Civil Remedies).

1.18 Multiple or Alternative Proposals

Neither multiple nor alternate proposals will be accepted.

1.19 Access to Public Records Act Notice

An Offeror should give specific attention to the clear identification of those portions of its proposal that it considers confidential, proprietary commercial information or trade secrets, and provide justification why such materials, upon request, should not be disclosed by the State under the Access to Public Records Act, Title 10, Subtitle 6, of the State Government Article of the Annotated Code of Maryland. (See Section 4.4.2.1)

Information, which is claimed to be confidential, is to be identified after the Title Page and before the Table of Contents in the Offeror's Technical Proposal and, if applicable, also in its Financial Proposal. Offerors are advised that, upon request for this information from a third party, the State will make an independent determination whether the information can be disclosed (see COMAR 21.05.08.01).

1.20 Offeror Responsibilities

The selected Offeror/Contractor shall be responsible for all products and services required by this RFP. Subcontractors must be identified, and a complete description of their roles relative to the proposals must be included in the Proposal. The selected Offeror retains the responsibility for all work performed by and any deliverable submitted by a Subcontractor. Additional information regarding MBE Subcontractors is provided in paragraph 1.24 below, Section 4.4.5, and **Attachment D**.

If an Offeror that seeks to perform or provide the services required by this RFP is the subsidiary of another entity, all information submitted by the Offeror such as, but not limited to, references, licensures, certifications, and financial reports, shall pertain exclusively to the Offeror, unless the parent organization will guarantee the performance of the subsidiary. If applicable, the Offeror's proposal must contain an explicit statement that the parent organization will guarantee the performance of the subsidiary.

1.21 Mandatory Contractual Terms

By submitting an offer in response to this RFP, an Offeror, if selected for award, shall be deemed to have accepted the terms of this RFP and the Contract, attached as **Attachment A**. Any exceptions to this RFP or the Contract must be clearly identified in the Executive Summary of the technical proposal. A proposal that takes exception to these terms may be rejected. (See Section 4.4.2.2)

1.22 Proposal Affidavit

A proposal submitted by an Offeror must be accompanied by a completed Bid/Proposal Affidavit. A copy of this Affidavit is included as **Attachment B** of this RFP.

1.23 Contract Affidavit

All Offerors are advised that if a Contract is awarded as a result of this solicitation, the successful Offeror will be required to complete a Contract Affidavit. A copy of this Affidavit is included for informational purposes as **Attachment C** of this RFP. This Affidavit must be provided with the signed Contract after notification of proposed Contract award.

1.24 Minority Business Enterprises

A minority business enterprise Subcontractor participation goal of fifteen percent (15%) of the administrative fee has been established for this procurement. The Contractor shall structure its awards of subcontracts under the Contract in a good faith effort to achieve the goals in such subcontract awards by businesses certified by the State of Maryland as minority owned and controlled. MBE requirements are specified in **Attachment D** of this RFP. Subcontractors used to meet the minority business enterprise goal of this RFP must be identified in the Offeror's proposal.

Questions or concerns regarding the MBE requirements of this solicitation must be raised before the opening of bids or receipt of initial proposals.

Attachments D-1 and D-2 **must** be submitted with each Offerors proposal. Failure to submit these completed attachments **will** eliminate an Offeror from further consideration.

A current directory of MBEs is available through the Maryland State Department of Transportation, Office of Minority Business Enterprise, P. O. Box 8755, B.W.I. Airport, Maryland 21240-0755. The phone number is 410-865-1244. The directory is also available at http://www.mdot.state.md.us. Select the MBE Program label. The most current and up-to-date information on MBEs is available via the web site.

1.25 Arrearages

By submitting a response to this solicitation, each Offeror represents that it is not in arrears in the payment of any obligations due and owing the State of Maryland, including the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of the Contract if selected for Contract award.

1.26 Procurement Method

This Contract will be awarded in accordance with the competitive sealed proposals process under COMAR 21.05.03.

1.27 Verification of Registration and Tax Payment

Before a corporation can do business in the State of Maryland it must be registered with the Department of Assessments and Taxation, State Office Building, Room 803, 301 West Preston Street, Baltimore, Maryland 21201. It is strongly recommended that any potential Offeror complete registration prior to the due date for receipt of proposals. An Offeror's failure to complete registration with the Department of

Assessments and Taxation may disqualify an otherwise successful Offeror from final consideration and recommendation for Contract award.

1.28 False Statements

Offerors are advised that section 11-205.1 of the State Finance and Procurement Article of the Annotated Code of Maryland provides as follows:

1. In connection with a procurement Contract a person may not willfully:
    a. falsify, conceal, or suppress a material fact by any scheme or device;
    b. make a false or fraudulent statement or representation of a material fact; or
    c. use a false writing or document that contains a false or fraudulent statement or entry of a material fact.

2. A person may not aid or conspire with another person to commit an act under subsection (a) of this section.

3. A person who violates any provision of this section is guilty of a felony and on conviction is subject to a fine not exceeding $20,000 or imprisonment not exceeding 5 years or both.

1.29 Confidentiality Agreement

Offerors will be provided a census data file with Member demographic and plan participation information (including Satellite Account Employees but excluding Direct Pay Enrollees). Information on the diskette may only be used in response to this RFP. A confidentiality agreement (**Attachment E**) will need to be provided to the State to ensure that the information will only be used as set forth in this RFP. To receive the census data file, the Offeror will need to present the completed confidentiality agreement and a picture ID such as a valid driver's license. The census data file will be available anytime after the release of the RFP, including at the Pre-Proposal Conference as outlined in Section 1.7 or upon arrangement with the Procurement Officer whose contact information is found in Section 1.6.

1.30 Electronic Funds Transfers

By submitting a response to this solicitation, the Bidder/Offeror agrees to accept payments by electronic funds transfer unless the State Comptroller's Office grants an exemption. The selected Bidder/Offeror shall register using the **Attachment I**: COT/GAD X-10 Vendor Electronic Funds (EFT) Registration Request Form. Any request for exemption must be submitted to the State comptroller's Office for approval at the address specified on the COT/GAD X-10 form and must include the business identification information as stated on the form and include the reason for the exemption.

1.31 Electronic File Transfers

All electronic file transfers shall be exchanged using a point to point VPN (Virtual Private Network) connection approved by the State of Maryland, Department of Budget and Management, Office of Information Technology.

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SECTION 2 – OFFEROR MINIMUM QUALIFICATIONS

Please refer to the first tab of the Excel portion of this RFP for the required minimum qualifications and verification.

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SECTION 3 – SCOPE OF WORK

3.1 Program Description

Behavioral Health benefits and Employee Assistance Program benefits are provided currently through one plan that is funded by the State and administered by a third party administrator. Eligibility criteria for each component are distinct but services are provided through the same vendor.

The following information is for informational purposes only. If changes are made by the State, the Contractor will be notified to the extent the Contractor is affected by the changes.

3.1.1 Behavioral Health Benefits (BH)

Behavioral Health benefits are provided through the State Employee and Retiree Health and Welfare Benefits Program (the "Program"), which uses a July 1 through June 30 Plan Year. Certain Participants receive State subsidized health benefit coverage. The Program is operated in accordance with Internal Revenue Code §125 for all Participants, even though only certain active State employees are eligible for pre-tax premium payment. Eligible individuals must elect or waive health benefits during the annual open enrollment held in the Spring for a July 1 effective date of coverage each Plan Year. There are no pre-existing condition exclusions for coverage through the Program. No proof of insurability is required. New employees or retirees must elect or waive coverage within 60 days of initial eligibility. Enrollment elections may not be changed until the next open enrollment period, unless a mid-year change in election is provided by State regulation or applicable federal law, e.g. HIPAA or IRC §125 and its implementing regulations.

The State of Maryland currently offers behavioral health benefits to employees enrolled in the State's medical plans through two different arrangements:

1. BH benefits are offered to PPO and POS medical plan participants through a self-insured plan currently administered by APS Healthcare. This Contract is being bid through this RFP.

2. BH benefits for participants in the State's fully insured HMO plan options are provided directly through the HMO in which each participant is covered. BH services for HMO participants are not included in the scope of services for this Contract.

Members who elect PPO or POS plan medical coverage are automatically enrolled to receive mental health and substance abuse benefits coverage through the Behavioral Health plan. As of July 1, 2005, enrollment in the BH plan due to enrollment in a PPO or POS plan totaled 88,417 broken down by subgroups as follows

Sub Group	Members	Individual	2 Persons	Family
Active State Employees	55,386	21,468	16,225	17,693
State Retirees	29,884	16,496	11,607	1,781
Direct Pay Members	1,515	1,048	290	177
Satellite Employees	1,632	678	476	478

Summaries of current plan coverage for both active employees and retirees for the BH benefits are provided at the DBM web site (www.dbm.maryland.gov).

3.1.2 Employee Assistance Program (EAP)

The State offers certain EAP benefits to active State employees (whether they have elected medical plan participation or not) who are referred by management to the EAP unit in the Office of Personnel Services and Benefits (OPSB). There are approximately 70,000 State employees who are potentially eligible to be referred for EAP benefits. Currently, EAP counseling services are provided through an EAP subcontractor to the prime contractor (currently APS). EAP benefits are provided only to active State employees and are not provided to Dependents. Current EAP utilization information is provided in Attachment N4a-e. An EAP supervisory referral form is provided as Attachment K.

Employee Referral Process

The purpose of the Employee Assistance Program (EAP) is to provide treatment to State employees experiencing adverse conditions in their personal lives that negatively impact their job performance. Referral from management is *required* for employee participation in the Program and is generally initiated at the supervisory level. An employee is entitled to one participation in the EAP per year, calculated from point of each EAP referral date.

The Agency EAP coordinator forwards a confidential EAP Supervisory Referral Form to the EAP administrative staff. EAP administrative staff are responsible for scheduling the initial appointment, conducting follow-up, providing feedback to the Agency EAP coordinator, and monitoring any employee who, pursuant to COMAR 17.04.09 is required to receive substance abuse rehabilitation services.

An EAP initial assessment, which is paid for by the State (including co-payments) and therefore free to the employee, is actually a "window" that can consist of (1) a single one-hour session or (2) up to three separate one-hour sessions, as deemed necessary by the initial assessor. Any counseling recommended by the initial assessor beyond the third session becomes the payment responsibility of the employee's health insurance carrier; *and* all mental health insurance carriers require a member co-payment or co-insurance. Employees may be granted administrative leave to attend the initial assessment in the event that the appointment conflicts with the employee's work schedule.

The EAP is two-pronged, in that an employee can be referred to a **mental health** provider for receipt of traditional counseling services or to a **substance abuse** provider for enrollment in a six-month treatment program, usually due to violation of the Governor's *Executive Order (01.01.1991.16), State of Maryland Substance Abuse Policy*.

Inasmuch as the Program is also voluntary, it is required that all referral forms that are submitted bear the employee's signature and a check mark beside "yes" indicating s/he is willing to participate. Referrals submitted without those two items will not be processed. Procedural steps for processing each of the two aforementioned types of EAP referrals are as follows:

Mental Health Counseling

1. An Agency supervisor, in conjunction with the employee being referred, completes the EAP Supervisory Referral Form.

2. The supervisor submits the completed referral form to the Agency's EAP Representative, who is responsible for screening the form to ensure it has been completed in compliance with the information requested and ensures that the appropriate supporting documentation has been attached.

3. The Agency EAP Representative then forwards the referral to the EAP Office located at 301 W. Preston Street, Room 607, Baltimore, Maryland 21201, via U.S. mail, hand delivery or the referral may be faxed to the EAP Office at 410-333-5004.

4. All referrals received at the EAP Office are first date-stamped, then entered into the EAP database by the office secretary, who then provides them to the State EAP Coordinator.

5. The State EAP Coordinator screens each incoming referral for compliance. With regard to referrals received that are non-compliant, the Coordinator contacts, by telephone, the Agency EAP Representative for each of those referrals to obtain the missing information.

6. On Friday of each week, all referrals received for the week that are either already compliant, or have been made compliant by that time, are mailed in one large envelope to the counseling contractor, who usually receives them between Monday and Wednesday of the next week, depending on flow of the U.S. mail.

7. Upon receipt of the referral package, the counseling contractor places calls to counselors, determined by the zip code of the employees referred, to obtain appointments.

8. Generally, by Wednesday or Thursday of each week the counseling contractor contacts the State EAP Coordinator by telephone to provide the appointments obtained.

9. Upon receipt of the appointments on Wednesday or Thursday, the State EAP Coordinator or the office secretary will generate appointment letters to the respective employees in time for the day's final mail run at 3:00 p.m. The employee's Agency EAP Representative is copied on each letter and both sets of letters (the employees' and the EAP Representatives') are mailed concurrently.

10. Those employees will generally receive their appointment letters anytime between that Saturday and any day during the next week-- again, depending on flow of the U.S. Mail.

11. The appointment letter instructs the employee to contact his/her assigned counselor within 72 hours (3 days—business days) to confirm his/her initial assessment appointment, and also *specifies* that deadline date. The letter includes the counselor's name, complete address, and telephone number, and indicates by "cc" at the bottom that the employee's Agency EAP Representative has been copied.

12. The Agency EAP Representative, upon receipt of his/her copy of the appointment letter, is responsible for ensuring that contact is made by the EAP Representative and/or the employee's supervisor, with the employee to indicate that they are aware the appointment has been provided and that the employee is expected to honor it.

13. The Agency EAP Representative is generally notified if the employee is a "no-show" for the initial assessment appointment.

Substance Abuse Treatment

1. Agency management, in conjunction with the employee being referred, submits a completed EAP Supervisory Referral Form to its Agency EAP Representative on an employee who has violated the State of Maryland Substance Abuse Policy.

2. The Agency's EAP Representative is responsible for screening the form to ensure it has been completed in compliance with the information requested, which includes that the appropriate supporting documentation has been attached.

3. The EAP Representative then forwards the referral to the Employee Assistance Program Office located at 301 W. Preston Street, Room 607, Baltimore, Maryland 21201, either via mail, or hand delivery; or the referral may be faxed to the EAP Office at 410-333-5004.

4. Upon receipt at the Employee Assistance Program Office, the referral is date-stamped, then entered into the EAP database by the office secretary, who then provides it to the State EAP Coordinator.

5. The State EAP Coordinator screens the referral for compliance. If the referral is non-compliant, the Coordinator places a telephone call to the Agency's EAP Representative to obtain the missing information.

6. A boilerplate letter is mailed to the employee stating that inasmuch as s/he was referred to the EAP for being in violation of the Maryland Substance Abuse Policy, s/he must comply with that Policy by enrolling in a six-month substance abuse treatment program as soon as possible. The letter also states the employee must complete the enclosed two release forms upon his/her treatment enrollment and return them to the EAP Office, which authorizes the EAP to monitor the employee's six-month participation in the substance abuse program. The letter indicates by "cc" at the bottom that the employee's Agency EAP Representative has been copied.

7. The copy of the employee's letter is concurrently mailed to the employee's Agency EAP Representative.

8. A copy of the referral under cover of a copy of the employee's letter is mailed on Friday along with other referrals received that week**- for statistical purposes only, in this case -** to the counseling contractor.

9. Upon receipt of the completed release forms from the employee, the EAP Coordinator is thereafter, once per month, provided a progress report by the treatment center at which the employee enrolled. It is through the progress reports that the "monitoring" of the employee's treatment participation is actually accomplished.

10. The agency is notified on three occasions, via boilerplate letter that the employee's participation status in treatment remains active: 1) first, at the onset of treatment; 2) again, at three months into treatment, and then finally; 3) upon completion of treatment that the employee has successfully done so.

3.2 Desired Plan Design

The State intends to continue the current BH and EAP plan designs as fully outlined in **Attachment L-5** of the Technical proposal**.** Current co-payments/co-insurance levels, benefit limitations and exclusions are expected to remain in effect throughout the term of the Contract resulting from this RFP, except as changes to the program are required due to legislative or regulatory mandates during the term of the Contract.

3.3 Background

The BH and EAP benefits are offered to a diverse workforce that includes clerical, administrative, technical, professional, maintenance, educational (State colleges and universities) and public safety employees, and appointed and elected officials at more than 250 different worksites.

Due to the large number of State employees, diverse population and numerous employee work locations, the State sponsors annual Benefit Fairs during each annual enrollment period. During the last enrollment period for which Benefit Fairs were held, the State conducted approximately 100 Benefit Fairs throughout the State.

3.4 Project Milestones and Due Dates

Following are the implementation schedule milestones and the State's desired due dates, where applicable:

Milestone		Date
3.4.1	Begin implementation meetings	Upon Contract award
3.4.2	Initiate information transfer and vendor implementation activities/transition protocols	Within seven (7) calendar days of award
3.4.3	Completion of information transfer activities	21 calendar days after Contract award
3.4.4	Completion of vendor implementation plan/transition protocols	30 calendar days after Contract award
3.4.5	Benefit Coordinator Training Session	March – April and March – April of each subsequent year
3.4.6	Open Enrollment and Benefit Fairs	April – May
3.4.7	Effective Date of Behavioral Health and EAP Benefits Plan Coverage for each plan year	July 1
3.4.8	Annual Rate Setting Process for subsequent plan year	(Estimated) November - March

The services described in Sections 3.4.4 through 3.4.5 must be provided on the same schedule for every Plan Year during the Contract term.

3.5 Description of Scope of Work

The State is soliciting proposals for one vendor to provide BH and EAP benefits to all eligible participants as described in the RFP. The selected Contractor is to provide a responsive, efficient, auditable, service-oriented system that will permit all eligible Members to access these benefits for themselves and/or their Dependents subject to the terms, conditions and requirements of this RFP. Offereors are encouraged to exceed the minimum requirements as outlined in this Scope of Work and in Attachment L.

3.5.1. Network

The Contractor shall establish and manage a network of BH and EAP providers that will deliver quality professional services and make appropriate referrals when necessary. Provider networks must demonstrate the following:
.

1. A wide selection of behavioral health and EAP licensed providers (i.e., psychiatrists, psychologists, and social workers, family therapists, etc.) who are geographically accessible.

2. Accessibility, through appointment schedules that allow State members to be seen within a reasonable time frame. Specific appointment accessibility parameters for the BH and EAP components of the plan are more fully set out in Attachment L-6 (Compliance Checklist).

3. Providers who accept Medicare as payment both in and out-of-state.

4. Provision of a network that includes both in-state and out-of-state hospitals and medical facilities (i.e. inpatient, intensive outpatient and partial hospitalization) that provide behavioral health services.

3.5.2. Customer Service and Account Management Services

The Contractor shall provide a customer service operation, to include:

1. A call center adequate to serve the Participants in the BH plan, meeting or exceeding the minimum service parameters outlined in Attachment L-6 Compliance Checklist and L-17 Performance Guarantees.

2. A designated staff, trained in crisis intervention, available 24 hours per day, 7 days per week, to respond immediately to emergency or crisis telephone calls from Participants.

3. An Account Service Manager who will serve as a liaison between the Contractor and the State. This individual will work full-time on-site at the State's 301 W. Preston Street building from at least April 1, 2006 through August 30, 2006. After August 30, 2006, the on-site representative must be available to work on-site at that location on a schedule to be mutually agreed with the State, with at least one day on-site per week.

4. The Account Service Manager must demonstrate previous experience in assisting with problems, issues or concerns experienced by participants when attempting to access BH and EAP benefits.

5. The State will provide on-site office space, including basic office furniture and local telephone service connection, for the Account Service Manager's use when working on-site in accordance with the agreed schedule.

6. Maintain an internet based provider directory, to include information about providers' office locations, office telephone numbers, providers' professional licensure and any professional information.

7. Provide Explanations of Benefits (EOBs) to eligible members detailing payments to facilities and providers for services rendered and the amounts applicable to each service.

8. Provide qualified staff available to answer questions on plan eligibility, plan guidelines, benefit levels and claim procedures. Disabled individuals must be provided with adequate access to the customer service options.

3.5.3. Enrollment Services

The Contractor shall:

1. Accept the State's format of eligibility information using the State's File Transfer Protocol (FTP). Full positive enrollment files for the BH component are provided prior to the beginning of the Plan Year, upon completion of open enrollment. Contractors are encouraged to request positive files during the Plan Year to ensure accurate enrollment information throughout the Plan Year. Enrollment change files are provided every other week during the Plan Year; these update files are in an Add/Delete/Update format. All enrollment change files must be fully loaded in the Contractor's system within two (2) business days in accordance with Performance Guarantee PG-3.

2. Develop descriptive plan information for the open enrollment booklet.

3. Provide additional communications and plan description materials to Members, and where appropriate due to different addresses, to Participants, in order to ensure that Members and Participants know the extent of plan benefits and how to access plan benefits.

4. Attend all open enrollment health benefit fairs prior to each plan year covered by the Contract, ,in order to answer questions and provide plan overview information.

5. Share in the cost of printing and mailing open enrollment materials.

3.5.4. EAP Services

The Contractor shall administer an EAP program that includes treatment for problems that may adversely affect an employee's job performance, such as: marital, work related, physical problems, trauma, crisis intervention, addictions and other situations. In administering the EAP program, the Contractor shall:

1. Accept only EAP referrals made by the State EAP Coordinator.

2. Coordinate with the EAP provider(s) to ensure that an effective and appropriate treatment plan is developed that meets the certification standards of the Alcohol and Drug Abuse Administration of the State Department of Health and Mental Hygiene.

3. Ensure the appropriate exchange of information between the EAP provider and the State EAP unit including, but not limited to, summary reports.

4. Ensure that the provider delivers no more than three hours of EAP counseling (i.e., one three-hour session, or three one-hour sessions or any combination that does not exceed the allowable three hours).

5. Ensure that the specified EAP counseling is administered and completed within sixty (60) days of the member's initial visit, or other time frame identified by the State EAP Coordinator or with prior notification to and written approval by the State EAP Coordinator.

6. Ensure that providers are reimbursed at the Contractor's established reimbursement rates, and ensure that the provider does not assess any additional cost to the referred member.

7. Coordinate the EAP and behavioral health components. .

3.5.5. Data Reporting

At a minimum, the Contractor shall report utilization, claims and management data to the State or to the State's representative, such as a utilization management database system Contractor or a consultant, on a calendar quarter basis (quarters ending September 30, December 31, March 31 and June 30,). The Contractor's quarterly reports shall include the data elements listed and be provided in the format specified in **Attachment L and Attachment J-1**.

3.5.6. Performance Standards

The Contractor must meet established performance standards as described in **Attachment L-17**.

3.5.7. Claims Processing

The Contractor shall:

1. Provide timely, accurate and prompt tracking and processing of claims.

2. Upon completion of the Contract, the Contractor must transfer claim information and other administrative records to any successor vendor without additional charge to the State.

3. Develop and provide paper claim reimbursement forms for plan Members

3.5.8. Compliance with Mandates and Standards

The Contractor shall:

1. Comply with all standards required under state and federal laws and regulations for health and behavioral health plans (e.g., HIPAA, EDI and privacy standards, State law regarding confidentiality of medical and psychological data etc.) and shall meet any State mandated benefit provisions that may be required during the term of the Contract.

2. As a business associate in connection with the State's self-funded plan, the Contractor must meet all HIPAA standards related to privacy, security and transfer of protected health information. The State's minimum performance requirements in connection with HIPAA compliance are set forth in more detail in **Attachment L-6 (Compliance Checklist)**.

3.5. 9. Transition Protocols

The Contractor must accommodate a transitional period for individuals that are receiving BH treatment on the effective date of the new Contract and the transitional period following completion or termination of the Contract to be awarded under this RFP. The State's minimum transition protocol parameters are set forth in **Attachment L – 6** (Compliance Check List) During the 90 day transition period, Offerors are required to pay providers at in-network benefits.

3.6 Technical Proposal

Additional requirements and performance parameters for the scope of work of this RFP are contained in the Excel files (Attachments "L" and "J") labeled "Behavioral Health Technical Response.xls", and "Data.xls". These files are incorporated into the RFP by reference and contain response pages and supporting data to complete an Offeror's response. The Excel files are summarized as follows:

Section		Tab Name	File Name
Response Pages			
Attachment L-1:	Offeror Minimum Qualification	Offeror Qualifications	BH Technical Response.xls
Attachment L-2:	Introduction – General Information	Introduction	BH Technical Response.xls
Attachment L-3:	Offeror Information	Plan Information	BH Technical Response.xls
Attachment L-4:	Explanation	Explanation	BH Technical Response.xls
Attachment L-5:	Plan Design	Plan Design	BH Technical Response.xls

Section		Tab Name	File Name
Attachment L-6:	Compliance Checklist	Compliance Checklist	BH Technical Response.xls
Attachment L-7:	Questionnaire	Questionnaire	BH Technical Response.xls
Attachment L-8:	Subcontractor(s) Questions	Subcontractor Questions	BH Technical Response.xls
Attachment L-9:	Participating Providers	Participating Providers	BH Technical Response.xls
Attachment L-10:	Hospitals Networks	Hospital Networks	BH Technical Response.xls
Geo-Access Reports for:			
Attachment L-11:	Clinical Psychologists	Access Clinical Psychologists	BH Technical Response.xls
Attachment L-12:	Licensed Social Workers	Access Licensed Social Workers	BH Technical Response.xls
Attachment L-13:	Family Therapists	Access Family Therapists	BH Technical Response.xls
Attachment L-14:	Psychiatrists	Access Psychiatrists	BH Technical Response.xls
Attachment L-15:	Hospitals	Access Hospitals	BH Technical Response.xls
Attachment L-16:	Implementation Plan	Implementation Plan	BH Technical Response.xls
Attachment L-17:	Performance Guarantees	Performance Guarantees	BH Technical Response.xls
Attachment L-18:	Account Management Plan	Account Management Plan	BH Technical Response.xls
Attachment L-19:	Maryland Benefits	Maryland Benefits	BH Technical Response.xls
Attachment L-20:	Top Providers by Number of Claims	Top Providers by Number of Claims	BH Technical Response.xls
Attachment L-21:	Top Providers by Number of Claimants	Top Providers by Number of Claimants	BH Technical Response.xls
Attachment L-22:	Top Providers by Paid Claims	Top Providers by Paid Claims	BH Technical Response.xls
Supporting Data			
Census Data		See Section 1.29	
Attachment K:	Supervisory Referral Form	State Attachments	BH Attachments.doc
Attachment N1a-e	Behavioral Health – Paid Claims 2001-2005	BH Paid Claims 2001-2005	Financials.xls
Attachment N2a-e	Behavioral Health – Enrollment 2001-2005	BH Enrollment 2001-2005	Financials.xls
Attachment N3a-e	Behavioral Health – Large Claims 2001-2005	BH Large Claims 2001-2005	Financials.xls
Attachment N4a-e	EAP Statistics 2001-2005	EAP Statistics 2001-2005	Financials.xls

The files are in Microsoft Excel (.xls) format and have been compressed to a self-extracting ZIP (.zip) file using WinZip.

Please note that the majority of the questions have been structured to elicit “Yes” or “No” responses, except where otherwise noted.

SECTION 4 – PROPOSAL FORMAT

4.1 Two Part Submission

Offerors must submit proposals in two **separate** volumes:

- "Volume I – (TECHNICAL PROPOSAL)"
- "Volume II – (FINANCIAL PROPOSAL)"

4.2 Proposals

Volume I-Technical Proposal must be **sealed separately** from Volume II-Financial Proposal but submitted simultaneously to the Procurement Officer (address listed on Key Information Summary and in Section 1.6). This is the only address to which proposals may be submitted. An unbound original, so identified, and **seven (7)** bound copies of each volume are to be submitted. Hard copies must be a complete proposal containing all information contained on the CDs. Offerors must attach to the original Technical Proposal three (3) separate CDs containing an electronic version of Volume I- Technical Proposal (in MS Excel format and WORD, as appropriate). Offerors must also attach to the original Financial Proposal three (3) separate CDs containing an electronic version of the Volume II- Financial Proposal (in MS Excel format). Please note, the Offeror must provide separate CDs for the Technical Proposal and the Financial Proposal, resulting in 6 CDs attached to the proposal. The CDs containing the electronic responses should be placed in separate envelopes labeled "Offeror Response Diskettes – Volume "X" ("X" is Volume I or Volume II, as appropriate). Each portion of the Offeror's Technical Proposal must be submitted in an electronic format on the disc. Full GeoAccess reports may be submitted in electronic format only, with summary reports provided in hard copy with the seven bound copies of the Technical Proposal.

4.3 Submission

Each Offeror is required to submit a separate sealed package for each Volume, which are to be labeled "Volume I-Technical Proposal" and "Volume II-Financial Proposal". Each sealed package must bear the RFP title and number, name and address of the Offeror, the volume number (I or II), and the closing date and time for receipt of the proposals on the outside of the package. Please label the electronic media with Volume I-Technical Proposal and Volume II-Financial Proposal, as appropriate.

All pages of both proposal volumes must be consecutively numbered from beginning (Page 1) to end (Page "x").

4.4 Volume I – Technical Proposal

4.4.1 Transmittal Letter

A transmittal letter must accompany the technical proposal. The purpose of this letter is to transmit the proposal and acknowledge the receipt of any addenda. The transmittal letter should be brief and signed by an individual who is authorized to commit the Offeror to the services and requirements as stated in this RFP.

4.4.2 Format of Technical Proposal

Technical proposals must be submitted in a separate sealed package labeled "Volume I - Technical Proposal" and must bear the name and address of the Offeror, the name and number of the RFP and the closing date for proposals on the outside of the package. Inside this package an unbound original, to be so labeled, **seven (7)** copies, and three (3) electronic copies (in MS Excel format and WORD, as appropriate) on 3 separate CDs in a separate envelope labeled as described in Section 4.2, shall be provided. The technical proposal shall include:

4.4.2.1 Title and Table of Contents

The technical proposal should begin with a title page bearing the name and address of the Offeror and the name and number of this RFP. This should be followed by a table of contents for the technical proposal. Information that is claimed to be confidential is to be identified after the Title Page and before the Table of Contents in the Offeror's Technical Proposal, and if applicable, also in it's Financial Proposal.

4.4.2.2 Executive Summary

The Offeror shall condense and highlight the contents of the technical proposal in a separate section titled "Executive Summary" including how the Offeror meets the minimum qualification outlined in Section 2.1. The summary shall also identify any exceptions the Offeror has taken to the requirements of this RFP, the Contract (**Attachment A**), or any other attachments. Offeror shall include a signed Bid/Proposal Affidavit **(Attachment B)**.

WARNING: Exceptions to terms and conditions of the RFP, the Contract, or any other attachment may result in having the proposal deemed unacceptable or classified as not reasonably susceptible of being selected for award.

4.4.2.3 Response to Scope of Work

In a *concise* manner, the Offeror shall address each requirement in Section 3.5 in the technical proposal and describe how the Offeror's proposed services will meet those requirements. If the State is seeking Offeror agreement to a requirement, the Offeror shall state agreement or disagreement. The Offeror shall *not* duplicate responses or information provided in the Excel portion of this Technical Proposal but shall include an explanation of how the work will be done or a requirement met. A reference to the Excel portion shall be used in all cases where the Excel response fully comprises the Offeror's proposal. Where applicable, the Offeror may discuss how the Offeror's past performance and experience or existing infrastructure illustrate compliance with or ability to exceed the State's requirements.

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4.4.2.4 Response to Excel RFP

Offeror's **Volume I – Technical Proposal** (hard copy) must be submitted in the following format:

Technical Proposal Tab Name	**Section Name Corresponding to Excel-based portion of the RFP**
Attachment L-1:	Offeror Qualifications
Attachment L-2:	Introduction
Attachment L-3:	Offeror Information
Attachment L-4:	Explanation
Attachment L-5:	Plan Design
Attachment L-6:	Compliance Checklist
Attachment L-7	Questionnaire
Attachment L-8	Subcontractor Questions
Attachment L-9	Participating Providers
Attachment L-10	Hospital Networks
Attachment L-11:	Access Clinical Psychologists
Attachment L-12:	Access Licensed Social Workers
Attachment L-13:	Access Family Therapists
Attachment L-14:	Access Psychiatrists
Attachment L-15:	Access Hospitals
Attachment L-16:	Implementation Plan
Attachment L-17:	Performance Guarantees
Attachment L-18:	Account Management Plan
Attachment L-19:	Maryland Benefits
Attachment L-20:	Top Providers by Number of Claims
Attachment L-21:	Top Providers by Number of Claimants
Attachment L-22:	Top Providers by Paid Claims

In addition, the Offeror must provide electronic responses for each listed attachment on a CD, using the Excel files provided in the RFP. Full GeoAccess reports may be submitted in electronic format only, with summary reports provided in hard copy.

4.4.3 Financial Capability and Statements

The Offeror shall provide evidence that the Offeror has the financial capacity to provide the services by providing copies of the last two (2) year end financial statements (independently audited preferred). The financial statements must be for the entity proposing to provide services under this Contract and not for any prospective owners or parent companies not directly involved in the provision of services.

The Offeror shall provide a list of applicable insurance, including type and amount of insurance, the Offeror carries for liability purposes.

4.4.4 Economic Benefit Factors

1. The Offeror shall describe the benefits that will accrue to the State of Maryland economy as a direct or indirect result of the Offeror's performance of the Contract resulting from this RFP. The

Offeror will take into consideration the following elements. (**<u>Do not include any detail of the financial proposal with this technical information</u>**):

a. The estimated percentage of Contract dollars to be recycled into Maryland's economy in support of the Contract, through the use of Maryland Subcontractors, suppliers and joint venture partners. Offerors should be as specific as possible and provide a percentage breakdown of expenditures in this category.
b. The estimated number and types of jobs for Maryland residents resulting from this Contract. Indicate job classifications, number of employees in each classification, and the aggregate Maryland payroll percentages to which the Contract has committed at both prime and, if applicable, Subcontract levels.
c. Tax revenues to be generated for Maryland and its political subdivisions as a result of this Contract. Indicate tax category (sales tax, inventory taxes and estimated personal income taxes for new employees). Provide a forecast of the total tax revenues resulting from the Contract.
d. The estimated percentage of subcontract dollars committed to Maryland small businesses and MBEs.

2. In addition to the factors listed above, the Offeror should explain any other economic benefit to the State of Maryland that would result from the Offeror's proposal. (**<u>Do not include any detail of the financial proposal with this technical information</u>**):

4.4.5 Subcontractors

Offerors must identify Subcontractors and the role these Subcontractors will have in the performance of the Contract. The Offeror should include responses to the Subcontractor Questions for each Subcontractor disclosed. MBE Subcontractors must also be identified in the Proposal and each Subcontractor question must be answered with regard to each MBE.

Offerors must submit completed and fully executed attachments D-1 and D-2 with their technical proposals.

4.5 Volume II - Financial Proposal

Under separate sealed cover from the Technical Proposal and clearly identified with the same information noted on the Technical Proposal, the Contractor must submit an original unbound copy, **seven (7)** bound copies, and three (3) electronic copies (in MS Excel format on 3 separate CDs) in a separate envelope labeled as described in Section 4.2, of the Financial Proposal. The Financial Proposal must contain all cost information in the format specified in **Attachment M** and its related Exhibits. Complete the cost sheets only as provided in the Price Proposal Instructions on the Cover Page tab.

All per enrollee per month (PEPM) fees must be quoted on a fully loaded basis, i.e., fees must include all direct and indirect costs, general and administrative overhead, purchasing burden and profit. No other fees or charges may be added to the Contract after award, nor will the Contractor be compensated on any basis other than the applicable fully loaded PEPM rate. There is a separate fee for the administration of runout.

The RFP contains an Excel file for **Attachment M and Attachment N**, labeled "BH Financials.xls", containing instructions, response pages, and historical enrollment and claims information. Offeror's **Volume II – Financial Proposal** (hard copy) must be submitted in the format specified below.

<u>Financial Proposal Tab Name</u>	**<u>Section Name Corresponding to Excel-based Attachment M and N</u>**
Attach M-1	Financial Proposal – Behavioral Health and EAP Services

Attach M-2	Financial Compliance Checklist
Attach M-3	Financial Compliance Checklist - Explanation
Attach M-4	Administration Fees
Attach M-5	PEPM Claim Estimate
Attach M-6	Book of Business Profile Information
Attach M-7a	Provider Reimbursement (Professional) - Actives and Retirees Under Age 65
Attach M-7b	Provider Reimbursement (Professional) - Retirees Age 65 and Older
Attach M-8a	Hospital Utilization, Per Unit Allowable Charge and Distribution – Inpatient, Excluding Maternity for Actives and Retirees Under Age 65
Attach M-8b	Hospital Utilization and Distribution of Allowable Charges – Outpatient Hospital for Actives and Retirees Under Age 65
Attach M-8c	Hospital Utilization and Distribution of Allowable Charges – Inpatient for Retirees Age 65 and Older
Attach M-8d	Hospital Utilization and Distribution of Allowable Charges – Outpatient Hospital for Retirees Age 65 and Older
Attach M-9	Financial Proposal Summary
Attach N-1a-e	Behavioral Health – Paid Claims 2001-2005
Attach N-2a-e	Behavioral Health – Enrollment 2001-2005
Attach N-3a-e	Behavioral Health – Large Claims 2001-2005
Attach N-4a-e	EAP Statistics 2001-2005

The files are in Microsoft Excel (.xls) format and have been compressed to a self-extracting ZIP (.zip) file using WinZip.

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SECTION 5 – EVALUATION CRITERIA AND SELECTION PROCEDURE

5.1 Evaluation Criteria

Evaluation of the proposals will be performed by a committee organized for that purpose. Evaluations will be based on the criteria set forth below.

5.2 Technical Criteria

The criteria to be applied to each technical proposal are listed in descending order of importance:

1. Capability
   a. Capacity to deliver services
   b. Experience in providing BH and EAP services
   c. Past performance on similar Contracts
   d. Corporate history and structure
   e. Comprehensive IT support for all functions

2. Program Administration
   a. Member Services
   b. Claims paying services
   c. Enrollee satisfaction
   d. Information services and data reporting

3. Network
   a. Structure and services
   b. Coverage of eligible participants
   c. Provider reimbursement

4. Cost Containment Initiatives
   a. Provider management
   b. Care Management (Utilization review, large case management)
   c. Quality management

5. Implementation Plan and Account Management

6. Maryland Economic Impact

5.3 Financial Criteria

All qualified Offerors will be ranked from the lowest to the highest price based on the "Total" as quoted by the Offeror on the Financial Proposal Summary, **Attachment M-9**.

5.4 Reciprocal Preference

Although Maryland law does not authorize procuring agencies to favor resident Offerors in awarding procurement Contracts, many other states do grant their resident businesses preferences over Maryland Contractors. Therefore, as described in COMAR 21.05.01.04, a resident business preference will be given if: a responsible Offeror whose headquarters, principal base of operations, or principal site that will primarily provide the services required under this RFP is in another state submits the most advantageous offer; the other state gives a preference to its residents through law, policy, or practice; and, the preference does not conflict with a Federal law or grant affecting the procurement Contract. The preference given shall be identical to the preference that the other state, through law, policy or practice gives to its residents.

5.5 Selection Procedures

5.5.1 General Selection Process

The contract will be awarded in accordance with the competitive sealed proposals process under Code of Maryland Regulations 21.05.03. The competitive sealed proposals method is based on discussions and revision of proposals during these discussions.

Accordingly, the State may hold discussions with all Offerors judged reasonably susceptible of being selected for award, or potentially so. However, the State also reserves the right to make an award without holding discussions. In either case of holding discussions or not doing so, the State may determine an Offeror to be not responsible and/or an Offeror's proposal to be not reasonably susceptible of being selected for award, at any time after the initial closing date for receipt of proposals and the review of those proposals. The State's consultant will begin analysis of the financial proposal simultaneously with the technical analysis by the State but no information from the financial proposal will be shared with the State until after the evaluation of the technical proposals are completed.

5.5.2 Selection Process Sequence

1) The first step in the process will be to assess compliance with the Offeror Minimum Qualification set forth in Section 2 of the RFP. Offerors who fail to meet this basic requirement will be disqualified and their proposals eliminated from further consideration.

2) The next level of review will be an evaluation for technical merit. During this review oral presentations and discussions may be held. The purpose of such discussions will be to assure a full understanding of the State's requirements and the Offeror's ability to perform, and to facilitate arrival at a contract that will be most advantageous to the State. For scheduling purposes, Offerors should be prepared to make an oral presentation and participate in discussions within two to four weeks of the delivery of proposals to the State. The Procurement Officer will contact Offerors when the schedule is set by the State.

3) Offerors must confirm in writing any substantive oral clarification of, or change in, their proposals made in the course of discussions. Any such written clarification or change then becomes part of the Offeror's proposal.

4) The financial proposal of each Offeror will be evaluated separately from the technical evaluation. After a review of the financial proposals of Offerors, the Procurement Officer may again conduct discussions.

5) When in the best interest of the State, the Procurement Officer may permit Offerors who have submitted acceptable proposals to revise their initial proposals and submit, in writing, best and final offers (BAFOs).

5.5.3 Award Determination

Upon completion of all discussions and negotiations, reference checks, and site visits, if any, the Procurement Officer will recommend award of the contract to the responsible Offeror(s) whose proposal is determined to be the most advantageous to the State considering technical evaluation factors and price factors as set forth in this RFP. In making the most advantageous Offeror determination, technical factors will be given greater weight than price factors.

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